

MEDIA RELEASE
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NEW ZEALAND PREMIUM WINE SALES SOAR IN THE UNITED KINGDOM

New Zealand Winegrowers today announced record sales in the United Kingdom with New Zealand wine now exceeding 10 per cent of the £5 and-over-market for the first time.

These record sales mean New Zealand wine is now selling one in every eight bottles in the United Kingdom's above £5 market.

The United Kingdom's overall £5-and-over retail market has also increased, exceeding one billion pounds for the first time.

New Zealand wine is renowned around the world for its consistent quality and premium price-point and the £5 and above segment is a key market for New Zealand in the United Kingdom. In 2006, 73 per cent of New Zealand's wine in the United Kingdom was sold in the £5-and-above market; in 2007 this has grown to 85 per cent.

New Zealand has increased its share in this £5-and-over market to a year on year increase of 46 per cent, which equates to a growth of 42 million pounds.

New Zealand Winegrowers' global marketing director, Chris Yorke, said that this level of growth in one of New Zealand wine's biggest export markets is fantastic.

"New Zealand is now selling one in every 8 bottles in the UK above £5 market. This is outstanding; especially considering New Zealand only produces 0.3 per cent of the world's wine.

The United Kingdom is the most sophisticated wine market in the world, due to the choice available to them, and it's terrific that they are continuing to choose New Zealand Wine," said Mr Yorke.

Mr Yorke also acknowledges there is still room for growth in this area.

"The £5 and above market in the United Kingdom, across all wines, has increased 30 per cent in the past two years, from £782 million in 2005 to £1.04 billion in 2007. This takes the overall market share of £5 and above to 25 per cent of the total market in 2007. This is good news for New Zealand wine as it shows room for even more growth in this market.

"The demand for New Zealand wine is strong in the United Kingdom's £5 and above market and these latest figures are taking us closer to our goal of one billion dollars of exports by 2010," said Mr Yorke.

Major retailers in the United Kingdom are noticing the record sales of wine over £5 and in particular New Zealand wine.

Matt Pym from one of the United Kingdom's biggest fine wine merchant, Majestic Wine Warehouse, said they have seen a steady growth in New Zealand's wine which has meant it has overtaken Australia for the first time.

“New Zealand continues to be one of our most successful regions and is now only second to France in our sales charts,” said Mr Pym.

Dee Blackstock of Britain’s premium supermarket stores, Waitrose in the United Kingdom, believes the clean, green image of New Zealand continues to enhance sales of New Zealand wine.

“New Zealand wine is still perceived as good value for many and is known for its purity and freshness.”

New Zealand’s unspoilt environment was a common theme which also emerged from the British market in 2007, when New Zealand Winegrowers conducted in-depth research of New Zealand wine. As a result of this research, New Zealand Winegrowers launched its new brand ‘New Zealand Wine - Pure Discovery’ to align with these positive, international perceptions.

Sales of Sauvignon Blanc continue to increase in the United Kingdom market, however there has been a continual rise in other varietals, particularly Pinot Noir. Pinot Noir has tripled in exports to the United Kingdom over the past five years with retailers increasing its stock of other New Zealand wine varietals.

Jonathan Butt of the United Kingdom’s largest multiple specialist drinks retailer, The Threshers Group has noticed its customers continuing to trial new varieties of New Zealand Wine.

“Although customers have an ongoing love affair with New Zealand Sauvignon Blanc, they also appear willing to trial new varietals from New Zealand with sales of Pinot Gris, Merlot and Pinot Noir all on the rise.

“The female consumer appears more comfortable with the New Zealand offering than that of any other wine producing company,” said Mr Butt.

Mr Pym from the Majestic Wine Warehouse is also noticing this trend.

“In 2001 we had just one New Zealand Pinot Noir - now we stock seventeen and we have seen a surge in interest for Pinot Gris and Gewurztraminer and a new Syrah for summer. These are exciting times for New Zealand,” said Mr Pym.

- ENDS -

Editor’s Notes

- New Zealand wine is currently 13 per cent of the total 750ml, off-trade, £5 and above market
- The New Zealand wine average price per bottle in the UK, off-trade, has increased from £5.96 in 2006 to £6.26 in 2007 – a 5.21% increase
- In 2007, New Zealand moved from 1.7% to 2.0% volume share of the overall UK, off-trade market
- In 2007, New Zealand moved from 2.6% to 3.1% value share of the overall UK, off-trade market
- All data from AC Nielsen as of week ending 29 December 2007.

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